

**OFFICE OF THE CITY COUNCIL**

**Annette R. Hastings** 117 WEST DUVAL STREET, SUITE 425

 TDC EXECUTIVE DIRECTOR 4TH FLOOR, CITY HALL

OFFICE (904) 630-7625 JACKSONVILLE, FLORIDA 32202

 FAX (904) 630-2906

 E-MAIL: ANNETTEH@coj.net`

**MEETING MINUTES**

**TOURIST DEVELOPMENT COUNCIL SPECIAL MEETING**

**Thursday, February 23, 2017**

**1:00 P.M.**

**117 West Duval Street**

**City Hall, Fourth Floor**

**Conference Room A**

**Attendance**

**Roll Call**

City Council President Lori Boyer, Board Chairperson

City Council Vice President John Crescimbeni, Board Vice Chairperson

City Council Member Greg Anderson, Board Member-**Excused**

Barbara Goodman, Board Member

M. G. Orender, Board Member

Kirit Patidar, Board Member (arr. 1:10 p.m.)

Craig Smith, Board Member (arr. 1:10 p.m.)

Jeffrey Truhlar, Board Member**-Excused**

Annette Hastings, TDC Executive Director

Jeff Clements, Chief of Research

Kirk Sherman, Council Auditor

Phillip Peterson, Council Auditor’s Office

Lawsikia Hodges, Deputy General Counsel

          **Meeting Convened: 1:05 p.m. Meeting Adjourned: 4:09 p.m.**

**Introduction**

Chairwoman Boyer convened the meeting and the attendees introduced themselves for the record.

**Approval of Minutes**

Action on the minutes of the February 16, 2017 TDC Quarterly Meeting was deferred.

**Public Comments**

None

**Visit Jacksonville Presidents Report 1st Quarter YTD 2016-2017 Performance Metrics**

Chairwoman Boyer called the group’s attention to the quarterly report distributed at the last meeting and posed several questions to representatives of Visit Jacksonville. She noted that the group sales productivity for 1st quarter room nights was 24,774 but actual nights booked was 10,866 or 43.9%; this figure bears watching. Ms. Boyer asked for clarification of the new metric entitled “Services Definites” and what that figure represents. The 14 groups listed under this category indicates that Visit Jax provided services to those 14 groups that were not booked through the group sales operation. Ms. Boyer noted that the reports she has seen show uniformly good impressions of Visit Jacksonville’s group servicing quality, but almost none of the groups indicated they were going to re-book in Jacksonville for a variety of reasons. She questions how best to measure return on investment for group services when many groups either do not return to Jacksonville or book future events without Visit Jax’s assistance. Visit Jax CEO Paul Astleford explained that many factors come into play in determining re-bookings, and that the good reviews show that Jacksonville has a good reputation among meeting planners that has value in itself for future business. He noted that he changed some of Visit Jax’s policies for group sales personnel getting credit for booking meetings when he became CEO several years ago that changed the baseline for comparison purposes with the last couple of years.

**New Marketing Event Grant Requests**

**Jacksonville Jazz Festival 2017**

Applicant:                City of Jacksonville Office of Special Events

Presenter:                Dave Herrell, Sports & Entertainment Officer

 Brent Fine, Special Events Manager

Date:                          May 25-28, 2017

Location:                   Downtown, Landing, Hemming Park, Main Street, Florida Theatre

Grant Amount:        $60,000.00

TDC Grant Funding Award 2016 $20,000.00

Attendance: 130,000++

Room Nights:          1,500

Funds Use:               Digital and Print Marketing/Promotion Outside a 200 Mile Radius

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Mr. Herrell explained how the application had been revised since the presentation last week in response to the TDC’s request and noted that, with the assistance of Visit Jacksonville, a comparison of Memorial Day weekend room occupancy for the last several years is presented. He suggested success metrics including increasing the number of 2-day and 3-day stays tied to attendance at the Jazz Festival; 4-day stays would be a stretch for the Jacksonville market. In response to a question he noted that it is difficult to use STR hotel room occupancy information as an accurate measure of attendance because it can’t distinguish among the impacts of multiple events (such as the NCAA Eastern Track & Field Championship, Masonic conference and other events that have overlapped with the Jazz Festival in prior years). Mr. Herrell agreed that 2,000 room night bookings in core downtown hotels and 15,000 rooms countywide for both the Friday and Saturday nights of Jazz Festival weekend would be reasonable goals to evaluate the effectiveness of the increase in TDC marketing funds from $20,000 to the requested $60,000.

M. G. Orender suggested that the City should charge at least some nominal admission fee for the Jazz Festival; he feels that paid events are more valued. Mr. Herrell felt that the free aspect is what makes the Jacksonville festival unique among jazz festivals nationwide.

**Motion** (Patidar): fund the request at $50,000 - $20,000 to in-house social media, $8,000 to print publications, $22,000 to Clear Channel for ads in the Atlanta airport, with a goal of 90% for downtown hotel occupancy (aggregate for Friday and Saturday nights) –

**Motion** (Orender): fund the request at $60,000 with no specific use allocations except a maximum of $22,000 for Atlanta airport advertising, with a goal of 90% for downtown hotel occupancy (aggregate for Friday and Saturday nights) –

Several commissioners expressed strong reservations about the Atlanta airport advertising proposal.

**Motion** (Crescimbeni): fund the request at $60,000 - $20,000 to in-house social media, $8,000 to print publications, $32,000 for uses to be determined and approved at next week’s TDC meeting; with a goal of 90% for downtown hotel occupancy (aggregate for Friday and Saturday nights); with a requirement that the Special Events Division submit to the Council Auditor’s Office the report required by Sec. 111.105 of the Ordinance Code – **approved unanimously**.

**TDC RFP Legal Questions /Lawsikia Hodges, Deputy General Counsel**

Deputy General Counsel Lawsikia Hodges distributed information on convention and visitor bureaus in other states that are subject to open meetings and public records laws as a result of performing governmental tourism promotion functions with public funding and suggested that it would not be out of the ordinary to subject the City’s contractors to these requirements.

With regard to private advertising on the City’s web site and print publications, Ms. Hodges said that the TDC’s charge from the City Council is to perform its set of listed functions and implement the City’s Tourist Development Plan which does not include generating revenue from advertising sales. Third parties operating on behalf of the City cannot use City assets (web site, publications, etc.) to generate revenue for that entity. The City Council could amend the Tourist Development Plan and delegate to the TDC the authority to allow certain private uses to achieve public purposes, subject to City control of the collection and uses of any privately-generated revenue. Mr. Orender suggested that a cost- and revenue-sharing mechanism would be needed to incentivize a private party to invest time and effort in the effort to generate additional revenue. Council Member Crescimbeni felt that language needed to be included in the upcoming contracts prohibiting City contractors from using City assets on alternative competing publications or web sites. Mr. Patidar questioned who would control the content on the City-sponsored tourism web site.

Ms. Hodges indicated the need to strengthen and clarify the provisions relating to the City’s ownership of its trademarks, web site domain names, etc. and the process by which those assets will be transferred from the current contract holder to any subsequent contractor.

With regard to travel, Ms. Hodges had met with the Council Auditor and they had agreed that a contractor should be required to comply with the City’s travel regulations, but those regulations need to be amended to address the types of travel that contractors would undertake for tourism and convention marketing purposes, which would likely be very different from the way that City employees travel. The state travel policy allows for different types of expenditures than the City’s travel policy allows, i.e. reimbursement for third party travel (e.g. travel writers). An Ordinance Code amendment will be needed to accommodate either compliance with the state statute or current practice. The RFP could require compliance with the state statute and the City’s travel policies “as they may be revised.” Ms. Boyer and Ms. Hodges differ somewhat in their interpretation of whether the Tourist Development Plan elements need amending or just the RFP provisions and subsequent contract(s). Ms. Boyer asked Ms. Hodges to confer with the Council Auditor about the extent to which the Council and TDC may delegate authority to a contractor to travel to certain approved events without the need for the TDC Chair to approve the travel in advance.

Ms. Boyer recommended amending the RFP to prohibit reimbursing any travel expenses for in-town travel and events, attendance at TDC meetings, etc. Mr. Astleford said that travel is an absolutely integral part of the job of marketing and sales and must be undertaken in a timely manner. The current ordinance needs to be amended to reflect practical realities.

**RFP Timeline Review and Dates**

Ms. Boyer noted that the goal is for the RFP to be completed and issued by March 15th and responses received by April 12th, with evaluation, selection and contract negotiation taking place over the summer.

**Combination of Tourist Bureau and Convention Promotion & Sales Request for Proposals (RFP)**

Ms. Boyer asked Procurement Chief Greg Pease to discuss the pros and cons of issuing separate RFPs for tourist bureau and convention sales and service functions versus one RFP for both services. Factors to consider include economies of scale, getting the best possible provider for each of the two services, and the potential for increased overhead costs from multiple contracts versus one contract. Councilman Crescimbeni advocated for issuing three separate RFPs. Ms. Boyer felt that there was a substantial amount of cross-over between the tourism and convention advertising and servicing functions, which might argue for keeping all the functions under one contract. Ms. Goodman agreed with a more unified approach and didn’t know how much interest there might be in a stand-alone tourist bureau contract and what sort of a company might bid on that function.

Council Member Crescimbeni suggested having a methodology in place to deal with a failure to receive any responsible proposals for one of the functions; there will need to be a mechanism to evaluate the ability of the proposers for other functions to provide the service for which no proposals were received. Council Auditor Kirk Sherman suggested 4 RFPS for the three functional areas and also a unified RFP for all functions. Chairwoman Boyer urged that there be separate contracts for the three functions, even if the same proposer wins all three areas. That would provide greater accountability for evaluating each of the functions separately to ensure good performance on each aspect and could lead to a company losing its contract for one function if performance does not meet the standards. Mr. Orender argued the contrary, feeling that companies that hold all three contracts may very well drop the other two if they are removed from one for non-performance. The TDC doesn’t know how the proposers plan to allocate their personnel and where they think the profit centers will be under the contracts. Mr. Patidar felt that much of the work overlaps and having one contractor rather than two or three is preferable for accountability and efficiency. Mr. Smith felt that unity was preferable to separate contracts and that accountability would be better served with one company with strict accountability standards.

Mr. Pease said that an omnibus RFP can be written in such a way as to allow award of the contracts either to one company that is best overall or multiple companies based on the scores on the individual sections. If the RFP asks for a budget proposal for the three functions both separately and combined, respondents could show how they would be more cost effective by having all three functions and the City could choose whichever option produces the best results. The TDC would have the option of awarding all functions to one company if it’s best or close to the best in all three areas, or could award one function to a different company if a proposer is best in two areas but substantially weaker in a third.

Ms. Hodges and Mr. Pease explained how the PSEC and CSPEC scoring and award processes work and how a final selection is made.

Council Auditor Kirk Sherman suggested consideration of the option of making tourism and convention marketing an in-house function of the city government as is done in 5 other Florida counties (Pinellas, Collier, Broward, Monroe and Brevard). That would give the TDC the ultimate degree of control over the functions and budget. Alternatively, he recommended hiring a contract administrator in the City Council office to be responsible for managing the contract, reviewing and approving travel requests, performing research on tourism-related topics, etc.

The consensus of the group was to issue an omnibus RFP with separate grades for the three functional areas so that the contract could be awarded either to one company or to multiple companies based on the best grades in each category and overall. Mr. Pease was asked to keep all of the minimum requirements and specifications for the three draft RFPs as much the same as has been revised to date with the addition of some overarching language to incorporate the omnibus evaluation features.

The group will discuss potential improvements to the tourist bureau at the next meeting.

**Next meeting**

The TDC will hold a special meeting at 1:00 p.m. on Thursday, March 2nd.

**Adjourn**

The meeting was adjourned at 4:09 p.m.

Jeff Clements, Council Research Division

Posted 2.24.17 5:00 p.m.